By now you may understand that the performance appraisal process is part of an ongoing year-round process of giving constant feedback and support, making sure people know what is expected, and setting goals for the future. However, understanding the performance appraisal process in theory and actually sitting across from an employee and following through are two very different things. If employees always behaved the way they do in theoretical books, life would be easy. Unfortunately, people don’t always respond predictably and knowing how to handle difficult performance appraisal situations is imperative for holding on to good employees and gently transitioning poor performers out of the organization to someplace where (you hope) they’ll be a better fit.

For just these situations, I’ve developed key points that you’ll need to remember. I’ve given this system the perhaps corny acronym HAPPY, with the hope that it will be easy to remember and that it will lead to at least happier, if not happy, reviews. The key points to hold onto as you’re talking with a difficult employee about a challenging review are:

**H** Honestly tell the employee exactly how you see the performance situation.

**A** Ask for their feedback about what you’ve said and listen to their response.

**P** Partner with the employee to find the solution.

**P** Persist until the change you’ve requested happens.

**Y** Remember **why** you do performance reviews (to help people learn and
grow) and ask yourself **why** they would want to improve.

(What’s in it for them?)

In the next sections we’ll drill down on each of these in order to flesh out how to do each one.

**Honestly Tell the Employee What You Think**

First you need to be clear about the problem yourself. Have you honestly assessed what the problem is, come up with specifics that are “doable” and behaviorally specific? If not, you need to go back to preparation. You should come into the session well prepared to explain what the problem is and why it’s important to your organization’s goals, values and success. If it’s not affecting individual or team performance relating to these goals and objectives, STOP! You need to ask yourself some hard questions about why you’re even raising this issue.

**Ask for Feedback**

Once you’ve given your honest, specific assessment of the problem, you need to sit back and listen. Be prepared for the employee to be angry, arguing or in denial. At this stage you just want to listen. Sometimes allowing the employee to ventilate all their feelings and concerns, can be very therapeutic for them, even if you’re not agreeing with what they’ve said.

Listening is one of the hardest skills to learn. Here’s an effective listening checklist to help you see whether you have effective listening skills:

Don’t use roadblocks that stop people from talking, such as:

1. ADVICE: “You should speak to your boss about it.”
2. WHY QUESTIONS: “Why did you do that?”
3. REASSURE: “You’ll feel better about it tomorrow.”
4. CRITICIZE “If you hadn’t procrastinated…”
5. INTERRUPT: “That’s nothing. Listen to this…”
6. RELATED STORIES: “I had the same experience last year.”

Continue to ask open-ended questions to get the whole story:

“What happened next?”

“What was your reaction?”

Summarize employees’ statements so they know you’ve heard them.

“So you believe that…?”

“What you are saying is…”

Ask “what next” questions so they discover their own answers:

“What have you done to resolve the problem?”

“What else do you think could be done?”

“What have others tried in similar situations that worked?”

**Partner with the Employee to Find a Solution**

Partnering is an approach to conflict that tries to put two or more people on the same team and put the problem on the opposite team. You and the employee are not enemies, in this model; you are just two people jointly trying to solve a problem.

In order to execute this approach, it can be useful to sit on the same side of a table or desk with the employee and put the performance problem on a white board or flip chart opposite you. This technique works wonders to get you and the employee on the same team.

Although it is imperative to have the employee involved in determining the solution to a performance problem, it can be helpful to have a few options to suggest if the employee is unsure of how to fix the problem. Keep in mind that the employee needs to be part of the decision as to which solution works best for him/her.
Persist Until Things Change

Persistence pays off in many things and managing difficult performance situations is no exception. The main action managers can take to encourage employees to follow through is to set a follow-up meeting with an employee. The follow-up meeting shows the employee you care and also gives him/her a timeline of what is expected. It’s also an excellent way to hold the employee accountable for his/her behavior. When the employee knows that there is an additional meeting scheduled to discuss his/her progress, he/she has a vested interest in making sure some progress has taken place.

Other ways to make sure that employees take action would be to suggest a specific class, book or CD to give them the skills they need with a report due back to you about what they learned by a certain date. You could also require them to install and use performance management software if time management is an issue, or assign a mentor – someone who has mastered the skill or task that you need – in order to help them learn what they need.

You might also have the employee create an action plan of what he/she is going to do, resources he/she will need to follow through, and when he/she plans on having each activity completed.

How long should you give them to improve? It depends, right? If it’s misconduct – theft, harassment, or the like – obviously they have to improve immediately. If it’s some other kind of performance issue, I generally recommend that you give them whatever amount of time you would give a new person to learn a new task or job. So if the new person would take six weeks, I would give those six weeks.

Longer term employees should be given more time since, presumably, the reason you’ve kept them around so much is that they’ve earned a certain amount of
tenure and respect, but furthermore, the courts always give a lot of deference to long term employees.

**Y Why are you Doing This?**

Throughout this communication process, it’s important to remember the underlying reasons why you’re doing this. Performance reviews – even difficult ones – are for the purpose of helping people learn and grow. Also, remember that you need to provide them with “why” in order to get them to improve their performance. They need to know and understand why they would even want to do such a thing.

**Important Keys to Success**

In the HAPPY model, perhaps the most important thing to remember is that you must first clarify the issue with the employee. If you can figure out what is really going on and why…then you can usually help the employee figure out how to move forward. In my experience, the number one mistake managers make when dealing with an employee issue, is that the manager may assume that he or she knows what is causing the employee’s problems instead of asking the employee what is going on and trying to see the situation from an employee's perspective. It’s also critical to include the employee as a partner when determining solutions to the performance problem because if the employee takes part in creating the solution, he/she is more motivated to achieve it.